

LAW OFFICES OF
LOUIS E. GITOMER, LLC

LOUIS E. GITOMER
Lou@lgrailaw.com

MELANIE B. YASBIN
Melanie@lgrailaw.com
410-296-2205

600 BALTIMORE AVENUE, SUITE 301
TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

May 31, 2016

Mrs. Victoria Rutson
Director, Office of Environmental Analysis
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

Re: **Finance Docket No. 35523, CSX Transportation, Inc. –Joint Use –Louisville & Indiana Railroad Company - Semi-Annual Report No. 1**

Dear Mrs. Rutson:

Pursuant to voluntary mitigation measure (“VM”) 62 and mandatory mitigation measure (“MM”) 23 imposed by the Surface Transportation Board (the “Board”) in *CSX Transportation, Inc. –Joint Use –Louisville & Indiana Railroad Company, Inc.* Docket No. FD 35523 (served April 10, 2015) (the “*Decision*”), CSX Transportation, Inc. (“CSXT”) and the Louisville & Indiana Railroad Company (“L&I” and together with CSXT, the “Applicants”) are submitting their first semi-annual report on the progress of, implementation of, and compliance with the mitigation measures for the period of June 17, 2015 through December 31, 2015. The Upgrade is not required to be completed until June 17, 2022.

CSXT acquired the easement over the 106.5-mile railroad line between L&I’s connection with CSXT in Indianapolis, Ind., at milepost 4.0±, and L&I’s connection with CSXT in Louisville, Ky., at milepost 110.5± (the “L&I Line”) on June 17, 2015 (the “Transaction”). Pursuant to the terms of the Transaction, L&I is responsible for conducting all construction related to the Upgrade on the L&I Line.

Enclosed is an Excel spreadsheet that lists each specific mitigation measures (62 VM and 23 MM), the implementation deadline for each (if any), the process, and the status of implementation. Below is a detailed description of activities between June 17, 2015 and December 31, 2015 concerning the Upgrade/Construction, Operations, and other issues related to the Transaction.

In compliance with VM 62, the period for the second semi-annual report will end on June 30, 2016, and the second semi-annual report will be filed by July 31, 2016.

Upgrade/Construction.

As required by the conditions imposed in the *Decision*, specific provisions in the contracts entered with contractors that perform the Upgrade work require them to comply with VM 1-29 and MM 9-13.

There were three Upgrade projects that took place during 2015.

First, 22 miles of jointed rail was replaced with continuously welded rail ("CWR") between milepost 56 and milepost 76 and two miles over bridges. The installation of CWR over the Ohio River Bridge was deferred to 2016.

Second, embankments were widened between milepost 56 and milepost 76 and on the curve at milepost 86. Ten culverts within this project were not completed due to permitting issues. Completion is expected in 2016.

Third, the dispatching center in Jeffersonville, IN, was constructed, along with necessary signaling along the L&I Line. The dispatching center is now in use.

Operations.

As of the closing date for this report, no Transaction related traffic has moved over the L&I Line.

Meetings.

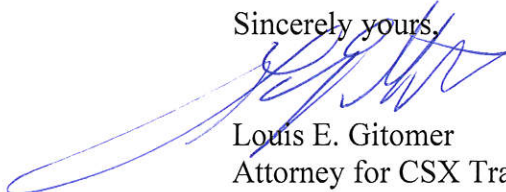
Applicants met with State and Local agencies between April 14, 2015 and July 16, 2015 to discuss (1) highway/rail at-grade crossings pursuant to VMs 32 and 34 and MM 1 and submitted a report to the Office of Environmental Analysis on October 7, 2015, as revised April 8, 2016; and (2) quiet zones, VM 55.

In compliance with VM 61, CSXT hosted two public meetings at the Emmerich Manual High School located at 2405 Madison Avenue, Indianapolis, IN 46255 on November 11th and 12th 2015 from 6:30 p.m. to 8:30 p.m. A report on the meetings was sent to the OEA on January 12, 2016.

Pursuant to MM 23, a copy of this letter and the Excel spreadsheet of the semi-annual report have been served on each Mayor on the L&I Line.

If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosure